



GOAL 10: REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

Government strives to the creation of an **inclusive and more equitable society**. Following the adoption of a number of measures, including the *Marshall Plan Against Poverty* in 2016, the introduction of *Negative Income Tax* in 2017 and the *Minimum Wage* in 2018, income inequality, as measured by the Gini Coefficient, decreased from 0.414 to 0.400.

The gap between high-income and low-income households narrowed slightly during the period 2012 to 2017. Per capita income of households in the lower income bracket registered an increase of almost 35 per cent during the period, higher than those in the high-income group.

Furthermore, the gap between rural and urban average household disposable income decreased during the same period.

Mauritius has a series of incentives and programmes in place to reduce inequalities among the population. It has

established a welfare state with free education, free healthcare services, free transport as well as a unique pension scheme. Various social assistance schemes are also provided to vulnerable groups such as the elderly, orphans, disabled, widows. During the financial year 2017/18, over 300,000 beneficiaries were supported.

Government's policy rests on integrating the vulnerable segment, in particular persons with disabilities, in mainstream employment. Appropriate trainings and skills development programmes are run targeting those who are considered as *autrement capable*. A *Training and Employment of Disabled Persons Board* was also set up in 1986 to act as a facilitator in finding employment or training. To encourage children with disabilities to continue schooling, they are provided with a monthly stipend upon joining secondary education.

Along the same lines, in 2016, a *Marshall Plan Against Poverty* was elaborated. The Plan provides for an integrated set of initiatives including education, health, social protection, employment and social housing in view of lifting the most vulnerable citizens out of extreme poverty.

To help reduce the cost of imprisonment as well as the high rate of recidivism, new methods of rehabilitation and daily management of detainees have been adopted. The Prisons Department runs various capacity building and economic projects in collaboration with the civil society, professional organisations as well as academic institutions.

Since a couple of years, Mauritius has been experiencing adverse climatic conditions, including flash-floods and strong cyclones affecting crops, the economy and people in general. Government,

Findings of the 2017 Household Budget Survey

- The average monthly household disposable income increased by 25.1 per cent from Rs 29,420 in 2012 to Rs 36,810 in 2017.
- Income inequality recorded a decrease between 2012 and 2017. The share of total income going to the 20 per cent of households at the lower end of the income range increased from 5.3 per cent in 2012 to 5.7 per cent in 2017.
- The Gini coefficient decreased from 0.414 in 2012 to 0.400 in 2017, showing an improvement in the income distribution.
- Average monthly household consumption expenditure increased by 21.6 per cent from Rs 23,710 in 2012 to Rs 28,820 in 2017.

through the *Prime Minister's Relief Fund*, established in 1997, provides assistance to victims of these natural calamities.

MIGRATION

As a sovereign country, the Republic of Mauritius ensures that citizens residing on other islets including *Rodrigues* and *Agalega* have access to the same rights and privileges as those on mainland Mauritius. Following recommendations made in the EU-funded assessment on the situation of internal migration in Mauritius, Government set up an *Information and Support Desk (ISD)*, in 2017, for Rodriguans coming to live in Mauritius and at risk of falling in precarious and vulnerable situations. The facility, which was set up both in Mauritius and Rodrigues, provides information relating to employment, health, social security and education to Rodriguans moving to Mauritius. **Chagos Archipelago**

On the other hand, non-nationals are subject to the same laws of the country as nationals. They have access to the basic facilities provided by the State and are entitled to the rights and fundamental freedoms provided for in the *Constitution of Mauritius*. Some 40,000 migrant workers from countries such as Bangladesh, India and China are currently employed, on a contract basis and working mainly in the manufacturing sector.

In view of widening the scope of opportunities for Mauritians and gain professional experience and training abroad, Mauritius has embarked on several circular migration programmes – with France in 2008, Canada in 2008-14 and Italy in 2012. In addition, as a member state of SADC, Mauritius participated in deliberations to implement inter-regional mobility initiatives, and chaired the 6th annual *Global Forum on Migration and Development (GFMD) Concluding Summit Meeting* in 2012. In parallel, a number of bilateral MOUs were signed with countries, including Seychelles (1990 and 2017), United Arab Emirates (2016) and Qatar (2014), to facilitate inter-regional mobility initiatives.

REDUCING INEQUALITY IN THE REGION

Over the years, Mauritius has engaged in numerous multilateral partnerships in view of furthering regional cooperation to enhance capacity of policy makers in the region and hence address trade imbalances among neighbouring countries. One such initiative is the *Accelerated Program for Economic Integration (APEI)*, which is supported by the *World Bank*. The aim is to speed up economic integration by eliminating trade barriers between Mauritius, Seychelles, Malawi, Zambia and Mozambique. A *Mauritius Africa Scholarship Scheme* has also been set up since 2013 and 86 students have benefitted from it.

Mauritius has also established an extensive network of bilateral *Double Taxation Avoidance Agreements (DTAAs)* and *Investment Protection and Promotion Agreements (IPPAs)*. A *Mauritius Africa Fund (MAF)* has also been set up with a seed capital of Rs 500 million committed to encourage domestic enterprises to invest in mainland Africa. Four MOUs have been signed to develop *Special Economic Zones*, two of which are with LDCs, namely *Madagascar* and *Senegal*.

BRIGHT SPOTS

EMPOWERING THE *AUTREMENT CAPABLE*

Since 2012, it is mandatory for enterprises employing 35 or more workers to have 3 per cent of their workforce persons with disabilities. Government also provides an array of services and incentives to empower the *autrement capable* to join the workforce. These include free parking coupons, concessionary airfare and passport fees.

A variety of training and skills development programmes are also run for the *autrement capable* in areas relating to crafts, arts, among others. Loan facilities are also made available through the *Employees Welfare Fund* (EWF) for them to start a small business activity. These are meant to facilitate the process of their integration in mainstream society.

On the other hand, while the Mauritian Government has a policy to encourage every in becoming more active and hence be healthier, numerous facilities are made available to athletes with disabilities. They are also provided with relevant physiotherapy and occupational therapy services.

ENHANCING CONDITIONS OF MIGRANT AND FOREIGN WORKERS

A *Special Migrant Workers Unit* (SMWU), initially established in 1999, has been reinforced in 2018 so as to ensure that Mauritian labour legislations are applied indiscriminately and their fundamental rights are not infringed.

The Unit also ensures that migrant workers are employed on terms and conditions that *are not less favourable* than those of their local counterparts. This is done mainly through verification and vetting of their contracts of employment, prior to their arrival in Mauritius; and by carrying out of routine inspections and follow up visits at the workplace to ensure that terms and conditions of employment are being strictly complied with. During the period July 2017 to January 2019, some 124 recruitment license inspections were carried out.

Regular inspection and follow-up visits are also carried out to ensure compliance to set norms for healthy and safe lodging accommodations for migrant workers, including adequate water supply, sanitation, storage spaces, cooking and cleaning facilities as well as electricity.

The average charge for outward remittances remains low at about 1 per cent. In addition, there is an adequate number of service providers offering remittance services around the island. Some branches, located in specific regions, including foreign exchange dealers such as *Thomas Cook* and *Shibani Finance*; as well as local counter-parts, the *Mauritius Commercial Bank* and *Bank of Baroda*, are open on Sundays, thus allowing migrant workers to have access to financial services 7/7.

REHABILITATION AND RESETTLEMENT OF DETAINEES

Since 2013, the Mauritian Prisons Department collaborates with civil society, professional organisations and academic institutions in facilitating detainees in their rehabilitation and resettlement, while helping reduce the cost of imprisonment. A number of projects have been run to help detainees to gather new skills while contributing to the achievement of the SDGs. For example, the rehabilitation of public beaches by detainees under the *Pay Back Mauritius* initiative was a call for civic duty towards enhancing the environment and protect against pollution.

In partnership with the FAREI, a poultry farm as well as a slaughtering house was set up in prison in view of achieving self-sufficiency in the production of eggs and chicken. Other initiatives include the assembly of furniture in collaboration with the private sector and the use of biogas in lieu of LPG with the help of academia.

CAPACITY BUILDING INITIATIVES TO REDUCE INEQUALITY IN THE REGION

To further economic growth and empowerment in the region, Mauritius jointly with the IMF, has set up two regional capacity building institutions, namely the AFRITAC *South* and the *Africa Training Institute (ATI)*.

The AFRITAC *South* provides technical assistance and support in core macroeconomic and financial management areas to some 13 countries in Southern Africa and the West Indian Ocean region. The ATI provides training to participants from 45 Sub-Saharan Africa countries to develop policy making capacity and transfer economic skills and best practices in the region. **Over the period 2013 to 2018**, Mauritius has contributed around USD 24 million to support programmes in these institutions.

Furthermore, a *Regional Multidisciplinary Centre of Excellence (RMCE)* has been established in **20XX**, in consultation with the EU, World Bank, COMESA, SADC and IOC to supplement the activities of the IMF capacity building initiatives. The RMCE provides support to African countries through peer-to-peer exchanges and study tours thereby enhancing *South-South cooperation*.

During the period 2013 to 2016, RMCE facilitated 9 study tours from Mauritania, Malawi, Gambia, DRC-Congo, Mozambique, Djibouti and Burundi. Over the last three years, a total of Rs 14.5 million has been allocated to the RMCE to conduct short courses, workshops, seminars and conferences.

CHALLENGES & OPPORTUNITIES

Challenge	Opportunities
<p>Reducing Income Inequality:</p> <ul style="list-style-type: none"> The risk of middle income households, especially those close to the poverty threshold, falling into the poverty trap remains. These include single-parent households, in particular women-headed and the elderly. 	<ul style="list-style-type: none"> Potentially, Government will have to investigate new methodologies in view of reducing income inequality in the short run. However, a series of medium to long-term measures are already being implemented. Reforms in the education sector, revamping the TVET, adoption of industry-led courses to address skills mismatch are all examples.
<p>Unsustainable Pension System:</p> <ul style="list-style-type: none"> Rapidly ageing population and a declining worker to pensioner ratio is putting additional pressures on public finances. 	<ul style="list-style-type: none"> Improving the pension system, including the <i>National Pensions Fund</i> is key to future sustainability.

<ul style="list-style-type: none"> • Sustaining the current Mauritian old age pensions system may be impossible in the medium to long term. 	
<p>Internal Migration:</p> <ul style="list-style-type: none"> • The 2011 Census shows that approximately 9,500 Rodriguans aged 16 years and over live on mainland Mauritius. • It had been noted that most of these Rodriguans live in vulnerable areas of Mauritius and are at risk of facing challenges relating to economic integration, social cohesion, increased tension and conflict and unhealthy hygiene. 	<ul style="list-style-type: none"> • While two <i>Information and Support Desks</i> have been set up to support the transition of Rodriguans to Mauritius, sustained and further assistance is required to ensure that they do not fall into poverty. • The national <i>Migration and Development Policy</i> will have to be harmonized with other existing initiatives to ensure the principle of <i>leaving no one behind</i>.
<ul style="list-style-type: none"> • Due to declining population rate, there is need to balance the need to have migrant workers in Mauritius. 	<ul style="list-style-type: none"> • Legal sanctions are being put in place for non-registered recruiters. • With the assistance of the <i>International Organisation for Migration</i> (IOM), discussions are ongoing with a few countries of origin of migrant workers to establish G to G agreements that would formalise recruitment of migrant workers. • A <i>Migration and Development Policy</i> for the Republic of Mauritius is currently being developed. The Policy would allow all stakeholders to debate on the type of migration management that is desirable for the country and to identify solutions and innovative approaches to it. It will establish a pro-active, flexible and result-oriented coordinated policy framework responding to the priorities and challenges of the country. The Policy would analyse and deal with the complexity of migration in a broad perspective with a view to ensuring better and sustainable living conditions, including measures to address unemployment among others.